

REMARKS

Applicant respectfully requests reconsideration of the application.

Claims 15-25 and 30-89 have been withdrawn, and claims 1-14 and 26-29 have been examined. Applicant affirms the election of group I for examination as expanded by the Office to include claims 1-14 and 26-29.

Claims 1-14 and 26-29 stand rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 5,862,260 (the '260 patent). Applicant notes that the '260 patent is incorporated by reference into the patent specification. See reference to the '260 patent on page 1, line 22, and incorporation of it at page 40, lines 8-10. Applicant has amended the priority claim of this application to claim priority to the '260 patent. Each of the patents and application in the chain of priority from this application to the '260 patent support the claims, have a common inventor (namely, Geoff Rhoads) and satisfy co-pendency required to establish a claim of priority under 35 U.S.C. 120. Therefore, the '260 patent is not prior art, and the rejection based on the '260 patent should be withdrawn.

A new data sheet is enclosed to reflect the change in priority data.

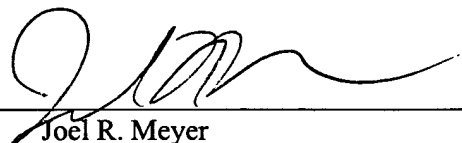
Date: April 4, 2005

Customer Number 23735

Telephone: 503-469-4800
FAX: 503-469-4777

Respectfully submitted,

DIGIMARC CORPORATION

By 
Joel R. Meyer
Registration No. 37,677